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DE RUEHC #9376/01 0340004
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FM SECSTATE WASHDC
TO RUEHKL/AMEMBASSY KUALA LUMPUR IMMEDIATE 0854
RUEHLO/AMEMBASSY LONDON IMMEDIATE 1951
RUEHFR/AMEMBASSY PARIS IMMEDIATE 2720
INFO EU MEMBER STATES COLLECTIVE IMMEDIATE
RHEHNSC/NSC WASHINGTON DC IMMEDIATE 2514
RUEATRS/TREASURY DEPT WASHINGTON DC IMMEDIATE 0109

C O N F I D E N T I A L SECTION 01 OF 02 STATE 009376

SIPDIS

E.O. 12958: DECL: 02/02/2019
TAGS: [EFIN](#) [ETTC](#) [KNNP](#) [IR](#) [UK](#)
SUBJECT: JOINT US-UK-FRANCE DEMARCHE TO MALAYSIA ON BANK
MELLAT

REF: A. LONDON 257
[1](#)B. CHALMERS-JOHNSON EMAIL 2 FEB 2009
[1](#)C. MARTIN-KHROUNEK EMAIL 2 FEB 2009
[1](#)D. CHALMERS-MATTHEWS EMAIL 2 FEB 2009

Classified By: ISN Acting A/S Eliot Kang, for reasons 1.4 (b) and (d).

[1](#)1. (U) This is an action request. Please see paragraph 2.

OBJECTIVES/ACTION REQUEST

[1](#)2. (C) Washington requests embassies pursue the following objectives:

FOR EMBASSIES LONDON AND PARIS:

-- Convey to appropriate host government officials in the foreign affairs ministry (REF A) our support for a joint approach with the UK and France in Kuala Lumpur warning against the establishment of a Bank Mellat subsidiary in Labuan.

-- Note that the United States has shared information with the government of Malaysia (GOM), and is preparing to share more once the information becomes available, that is similar to the information that we have shared with the UK and France (Ref B and C).

-- Note that we are directing our mission in Kuala Lumpur to participate in the joint demarche scheduled with the GOM Ministry of Foreign Affairs on February 4.

FOR EMBASSY KUALA LUMPUR ONLY:

-- Participate in a joint demarche to the GOM with the UK and France warning against the establishment of a Bank Mellat subsidiary in Labuan.

-- Prior to the demarche, inform the UK and French demarche participants that the U.S. has shared points on Bank Mellat with the GOM that are similar to the points we have shared with the UK and France (Ref D). In addition, reiterate our support for cautioning GOM about the risks involved with allowing a Bank Mellat subsidiary to open.

-- Underscore to the GOM that the U.S. shares the serious concerns held by the UK and France with regard to the establishment of a Bank Mellat subsidiary in Labuan.

-- Remind the GOM that Bank Mellat and all of its offices worldwide have been designated by the U.S. under Executive Order (E.O.) 13382 and may be designated by the EU and/or the UN. The proposed Labuan-based subsidiary of Bank Mellat would therefore likely be subject to sanctions by the United

States under this same order. U.S. sanctions against a Malaysian-based Iranian-owned financial institution could draw unfavorable international attention to Malaysia's financial sector.

-- Urge GOM to heed the call of UNSCR 1803, adopted on March 4, 2008, which "(c)alls on all member states to exercise vigilance over the financial activities of banks in their territories with all banks domiciled in Iran, and their branches and subsidiaries abroad, particularly Bank Melli and Bank Saderat."

REPORTING DEADLINE

¶3. (U) Post should report results within seven business days of receipt of this cable. Please slug replies for ISN, T, EAP, EUR, TREASURY, and NEA. Please use the caption SIPDIS in all replies.

POINT OF CONTACT

¶4. (U) Washington point of contact for follow-up information is Jennifer Chalmers, ISN/CPI, (202) 647-9715 and Dan

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Bischof, EAP/MTS, (202) 647-4932.

¶5. (U) Department thanks Post for its assistance.
CLINTON